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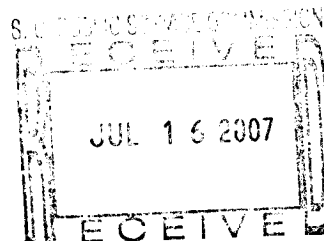
ELLIOTT & ELLIOTT, P.A.
ATTORNEYS AT LAW
721 OLIVE STREET
COLUMBIA, SOUTH CAROLINA 29205
selliott@elliottlaw.us

SCOTT ELLIOTT

TELEPHONE (803) 771-0555
FACSIMILE (803) 771-8010

July 13, 2007

Mr. Charles L.A. Terreni
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211



RE: Annual Review of Base Rates for Fuel Costs For Duke Energy Carolinas, LLC
Docket No. 2007-3-E

Dear Mr. Terreni:

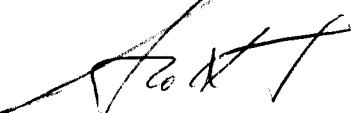
Enclosed please find for filing an original and ten (10) copies of the South Carolina Energy Users Committee's First Set of Interrogatories to Duke Energy and First Set of Request to Produce to Duke Energy, together with Certificates of Service in the above-captioned matter.

I have enclosed an extra copy of these Interrogatories and Request to Produce which I would ask you to date stamp and return to me in the self-addressed, stamped envelope provided for your convenience. By copy of this letter, I am serving all parties of record.

Thank you in advance for your assistance in this matter. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Sincerely,

ELLIOTT & ELLIOTT, P.A.



Scott Elliott

SE/jcl

Enclosures

cc: Parties of record w/enclosures

**STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION**

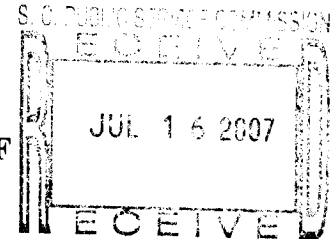
DOCKET NO. 2007-3-E

IN THE MATTER OF:

Annual Review of Base Rates For Fuel
Costs For Duke Energy Carolinas, LLC

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**SCEUC'S FIRST SET OF
INTERROGATORIES
TO DUKE ENERGY**



TO: DUKE ENERGY AND ITS ATTORNEYS, LARA S. NICHOLS, ESQUIRE
WILLIAM F. AUSTIN, ESQUIRE AND CATHERINE E. HEIGEL, ESQUIRE.

In accordance with S.C. Code Ann. Regs. R.103-851, and R.103-854, Intervenor, the South Carolina Energy Users Committee ("SCEUC" or "Intervenor") requests the Applicant, Duke Energy ("Duke" or "Utility") answer the following interrogatories within ten (10) days from the date of service, under oath, through the individual officers, managing agents, employees, members or representatives who are most knowledgeable with respect to the subject to which each respective interrogatory is addressed.

INSTRUCTIONS

The Intervenor requests Utility to serve its responses upon the Intervenor's undersigned counsel not later than ten (10) days after the service hereof. The interrogatories are to be deemed to be of a continuing nature so as to require supplementation and amendment promptly, as necessary, in order to comport with facts and information that is known or available to you at the time of the initial responses of these interrogatories. The responses to these interrogatories should be provided to the Intervenor by delivery to the undersigned at 721 Olive Street, Columbia, South Carolina 29205.

If Utility claims a privilege as to any interrogatory, with respect thereto, set forth the following:

1. Who possesses any requested document;
2. Who has reviewed any requested document;
3. The author, recipient and any copyholders of any requested documents;
4. The parties to any covered conversation, if it is a recording or transcript;
5. Who prepared the requested document;
6. The date of the requested document;
7. The type of document; and
8. The type of privilege asserted.

DEFINITIONS

A. As used herein, the term "Document" is used in the broadest sense and includes, but is not limited to, any written, printed, recorded, typed or graphic matter, however produced or reproduced, including all non-identical copies thereof and further including, but not limited to, any books, ledgers, pamphlets, periodicals, brochures, letters, memoranda, advertisements, proposals, telegrams, telexes, reports, telephone logs, drafts, business records, handwritten notes, bills, checks, invoices, charts, graphs, indices, tapes, transcripts, data sheets, records of telephone calls, data processing cards, and electronically-stored data such as documents stored on network drives, hard drive, cd-rom optical disks, magnetic tape, 3.5 in and 5.25 inch floppy disks, electronic mail files, both current and deleted, and any other computer files of whatever type which are in Utility possession, custody or control.

B. As used herein, the words “and” and “or” shall be construed either disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and this request any documents which might otherwise be construed to be outside its scope.

C. Wherever applicable, the singular form of a word should be interpreted as plural.

D. As used herein, the word “you” or “your” means or refers to Utility, its agents, consultants, or any member, officer or other representative of Utility.

E. As used herein, the word “identify” means provision of dates, times, places, and parties to any oral communication. With respect to any other communication, it means the date, length and medium of communication or document. With respect to any person(s), it means name, title, address and telephone number.

INTERROGATORIES

SCEUC 1-1. Please provide all forecasted costs of natural gas, fuel oil, coal and nuclear costs to be relied upon by Applicant in calculating the forecasted fuel factor for the 2006-2007 test period. Please provide all bases for these forecasts as well as all supporting worksheets used to develop the individual commodity forecasts.

SCEUC 1-2. Please provide monthly generation output figures for the test year to date for all generation plants owned or operated by Utility for service to South Carolina consumers. To the extent that a generating facility unexpectedly (e.g. non-maintenance issues) went off-line, please explain the reason for this outage, the time of the outage, and what steps the Utility took to place the generator back on-line.

SCEUC 1-3. Please provide a detailed summary of all purchased power costs incurred by Utility in the test period to date. Please be as specific as possible and provide the purchased power costs in terms of capacity costs, fuel costs, transmission costs, etc.

SCEUC 1-4. Please provide a forecast of the expected fuel factor to be requested by Utility in this annual fuel proceeding based upon Utility's historical over/under recovery to date and Utility's forecast of prices for natural gas, coal, oil and other fuel required for generation of electricity. As part of this request, please provide all workpapers used in the development of this factor.

SCEUC 1-5. Please provide a breakdown of any cost increase, both in dollar and percentage terms, for the typical residential, commercial and industrial consumer. As part of this request, please provide all workpapers used in developing the above-stated cost increases.

SCEUC 1-6. Please provide a detailed list of all wholesale sales made by Utility during test year to date. Please include in this list the MWHs sold to the supplier, and the total cost paid by each supplier. Please specifically list whether any sale was made on a native load priority basis and please state whether the sale of power was based on incremental cost or system average costs. SCEUC does not need to know the names of the suppliers and would prefer that the purchasers be labeled as Buyer A, Buyer B, Buyer C, etc. Utility is also free to take whatever other confidentiality measures that it so desires with this request for information. Please also describe how Utility accounts for the sale of all off-system power on its regulated books.

SCEUC 1-7. Please provide Utility's actual nuclear fuel usage for each month of the test period for which there is actual data.

SCEUC 1-8. Please provide Utility's forecasted nuclear fuel usage for each month remaining in the test period.

SCEUC 1-9. Please provide Utility's cost per pound of nuclear fuel (\$ per pound) for the test period.

SCEUC 1-10. Please provide Utility's actual coal cost for each month of the test period for which there is actual data.

SCEUC 1-11. Please provide Utility's forecasted coal cost for each month remaining in the test period.

SCEUC 1-12. Please provide Utility's actual natural gas cost for each month of the test period for which there is actual data.

SCEUC 1-13. Please provide Utility's forecasted natural gas cost for each month remaining in the test period.

SCEUC 1-14. Please explain in detail all hedging strategies that Utility uses in procuring natural gas, coal, and electricity supplemental purchases.

SCUEC 1-15. Please provide actual fuel costs for each month for the past five calendar years.

SCEUC 1-16. Please provide the financial model and associated worksheets used to develop the requested fuel factor in this proceeding.

SCEUC 1-17. With respect to SO₂ Emission Allowance credits, please provide a report detailing the number of allowances and the dollar amount for the beginning balance, credits earned or purchased, credits used or sold, and the ending balance for each month of the review period. Please provide detailed information showing the use of any gains applicable to SO₂ Emissions Allowances associated with Intersystem Sales or associated with EPA Auction Allowance Sales, being used against any SO₂ Emissions Allowance purchases and/or expenses.

SCEUC 1-18. Does Duke propose to recover in its fuel factor the cost of emission allowances for NO_x? If the answer is yes, provide the amount of such allowances for the historical period and forecast period separately.

SCEUC 1-19. Please provide a report detailing the per book treatment of NOx allowances, limestone, ammonia and any other variable environmental costs allowed per S.C. Senate Bill 0431 for the actual period under review.

SCEUC 1-20. Provide the detail documentation for the allocation of the allowed variable environmental costs, per Senate Bill 0431, among the various customer classes for the actual period under review.



Scott Elliott
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205
803-771-0555 Phone
803-771-8010 Fax

ATTORNEY FOR SOUTH CAROLINA
ENERGY USERS COMMITTEE

Columbia, South Carolina

July 13, 2007

ORIGINAL

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Annual Review of Base Rates for Fuel Costs for
Duke Energy Carolinas, LLC

DOCKET NO.: 2007-3-E

PARTIES SERVED: Lara S. Nichols, Esquire
Duke Energy
P. O. Box 1006
Charlotte, NC 28201-1006

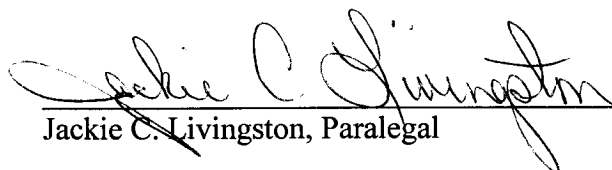
Catherine E. Heigel, Esquire
Duke Energy
P. O. Box 1006, EC03T
Charlotte, NC 28201-1006

C. Lessie Hammonds, Esquire
Office of Regulatory Staff
P. O. Box 11263
Columbia, SC 29211

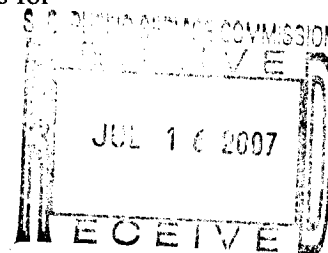
William F. Austin, Esquire
Austin, Lewis & Rogers
P. O. Box 11716
Columbia, SC 29201

PLEADING: SCEUC's FIRST SET OF INTERROGATORIES
TO DUKE ENERGY

July 13, 2007



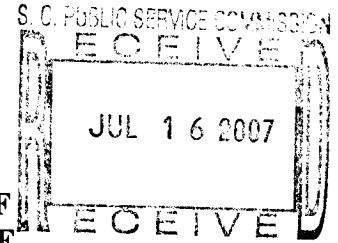
Jackie C. Livingston, Paralegal



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**STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION**

DOCKET NO. 2007-3-E



IN THE MATTER OF:)
)
Annual Review of Base Rates for Fuel)
Costs for Duke Energy Carolinas, LLC)
)

**SCEUC'S FIRST SET OF
REQUEST TO PRODUCE
TO DUKE ENERGY**

TO: DUKE ENERGY AND ITS ATTORNEYS, LARA S. NICHOLS, ESQUIRE WILLIAM F. AUSTIN ESQUIRE AND CATHERINE E. HEIGEL, ESQUIRE.

INSTRUCTIONS

In accordance with S.C. Code Ann. Reg. R.103-854, Intervenor, the South Carolina Energy Users Committee ("SCEUC" or "Intervenor") requests the Applicant, Duke Energy ("Duke" or "Utility") produce the following documents within ten (10) days after the service hereof. The requests are to be deemed to be of a continuing nature so as to require supplementation and amendment promptly, as necessary, in order to comport with facts and information that is known or available to you at the time of the initial responses to this request to produce. With respect to the production of documents, the requested documents should be provided to the Intervenor by delivery to the undersigned at 721 Olive Street, Columbia, South Carolina 29205, or at such other locations as is mutually agreeable to Utility and the Intervenor. The documents will be promptly returned after reproduction (if required).

If Utility claims a privilege as to any request for production, with respect thereto, set forth the following:

1. Who possess any requested document;
2. Who has reviewed any requested document;

3. The author, recipient and any copyholders of any requested documents;
4. The parties to any covered conversation, if it is a recording or transcript;
5. Who prepared the requested document;
6. The date of the requested document;
7. The type of document; and
8. The type of privilege asserted.

DEFINITIONS

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B. As used herein, the words “and” and “or” shall be construed either disjunctively or conjunctively as necessary to bring within the scope of this request any documents which might otherwise be construed to be outside its scope.

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D. As used herein, the word “you” or “your” means or refers to Utility, its agents, consultants, or any member, officer or other representative of Utility.

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SCEUC 1-1. Please provide all work papers used to calculate the experience modification factor and forecasted fuel rate.

SCEUC 1-2. Please provide copies of the monthly fuel recovery reports currently filed with the Public Service Commission and/or with the Office of Regulatory Staff during the test period.

SCEUC 1-3. Please provide any and all workpapers and/or worksheets identified in, set forth in, described in or relied upon by the Utility in responding to the Intervenor's interrogatories.

A handwritten signature in black ink, appearing to read "Scott Elliott", is written over a horizontal line.

Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205
803-771-0555
803-771-8010

ATTORNEY FOR SOUTH CAROLINA
ENERGY USERS COMMITTEE

Columbia, South Carolina

July 13, 2007

ORIGINAL

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Annual Review of Base Rates for Fuel Costs
for Duke Energy Carolinas, LLC

DOCKET NO.: 2007-3-E

PARTIES SERVED: Lara S. Nichols, Esquire
Duke Energy
P. O. Box 1006
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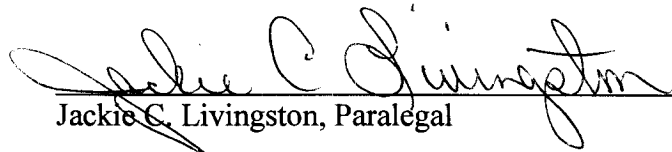
Catherine E. Heigel, Esquire
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Charlotte, NC 28201-1006

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PLEADING: SCEUC's FIRST SET OF REQUESTS TO PRODUCE
TO DUKE ENERGY

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Jackie C. Livingston, Paralegal

